

Maynard Finance Committee
August 9, 2021
7:02PM – 9:54PM
Meeting hosted virtually over Zoom

Present from Committee:

Alannah Gustavson, Ken Estabrook, Jillian Prendergast, Peter Campbell, Elliot Bruce

Present, not Committee:

Natasha Rivera, Gregory Johnson, Lauri Plourde, Justin DeMarco

Alannah started with a rollcall at 7:02PM to be sure everyone present could hear/be heard. Alannah proceeded to pull up the July 26 minutes for review – no corrections except for changing the margins so that it all fits on one page. Jill moved to approve, seconded by Peter. Approved 5-0 through rollcall.

Alannah brought up Green Meadow. There is a feasibility study underway. Funding considerations are just a couple years out at this point, and this will come up as a point of discussion soon.

Green Star is being bought by Green Thumb, a publicly listed cannabis company. Ken voiced a concern that the town initially gave the license to a local small business owner, and it is so quickly being taken over by a national company. The main concern here is that our expectations from this license may not be realized if part of the intention was local/statewide job creation. Legally, operations must be contained within a state in terms of the supply chain, though this will likely change if federal laws are passed legalizing aspects of the business. If the main point of issuing the license was just to raise revenues for the town, then the operator of the store is less of a concern.

Banning plastic bags for retail and polystyrene takeout containers was next on the docket. The sponsors of the article (Green Maynard) did a presentation to the Select Board, and this may be part of Special Town Meeting. If it is, Alannah would like to hear from them before the Special Town Meeting.

The Council on Aging and the Friends of the Council on Aging are interested in looking for a new space. Their programming has been successful enough that they would like a different/larger space than they currently have in the golf course clubhouse. They received a preliminary offer from Mill + Main that ends up being a large increase above current square footage, as well as a large increase in cost. We want to speak to the Council on Aging as this moves forward. Consensus is that we would like to be sure the Council has a space that suits their needs and is also accessible to as many residents as are interested.

Alannah mentioned having Jason come in to discuss the town Master Plan which is a 20-year time frame. It is early stages at this point but worth discussing their ideas.

Greg gave us a quick update that Lauri is working hard on closing the FY21 books. She is reconciling expenses including itemizing what is/not eligible for the CARES Act.

Ken asked if there are any surprises in the FY22 cherry sheets. Greg said yes there are, and we will discuss this soon.

Control A

Alannah asked Justin to speak on the Controls for DPW. Control A is not DPW, but is related. They requested borrowing amounts to pay for Well 4A including geophysical mapping, drilling for piping the well, etc. The town went out for a \$1.5mm bond, but because the town has a decent credit, got a premium of \$87,921 on this bond. The premium is not money we will have to repay. Control A moves to allocate this money immediately toward the completion of Well 4A rather than keeping it in an account for later allocation. It is highly likely that there will be overages on our current capital projects because equipment and raw material costs are pretty much all currently at record highs. This money is

specifically earmarked for Well 4A costs within water costs anyway – it could not even be reallocated to sewer without getting approval.

Control D

Maynard has its own wastewater facility. Wastewater treatment facilities are the biggest capital expense to a municipality according to Justin. Control D is to transfer money to cover the failure of the Rotating Biological Contractor at the end of FY21. Justin is requesting transfer from retained earnings to cover these costs. The vendor has been selected, they are awaiting delays in receiving materials and the expectation is to start the project in late September and would not be finished until after Special Town Meeting. This project will exhaust the entire Sewer Stabilization fund and DPW plans on using retained earnings to cover the difference. Jill asked how we replenish the Sewer Stabilization fund – we can do so through a request at special town meeting.

The town has a goal of building up DPW's retained earnings to 50% of its annual operating budget. This is a policy that allows for a buffer in the case of broken lines, etc. which would lead to lower revenue generation from water and sewer while the lines were out of service. Retained earnings last year were <20% of the operating budget. Control F will allocate funds of \$500,739.27 from Water Stabilization to a reserve fund. This is the entire amount of the Stabilization balance. This is being done with the goal of reaching the reserve goals. Two of our treatment sources are creeping toward violating PFAS levels, so there will need to be big dollars spent to remedy this, or at least we should prepare for that possibility. As an example, Acton is in violation and is having to rush to address the issue, and Hudson just had to raise rates by 22% to address one PFAS site issue. Having an additional reserve fund that is 20-25% of the operating budget allows the town to respond immediately if needed rather than scramble for funds in the case of PFAS violations. We are still waiting for final numbers for FY21 from Lauri, and Justin will come back with rate adjustments based on those reserve and retained earnings figures as well as expectations for expenses over the next 5-10 years.

ARPA was earmarked for water and sewer. Justin put in for the full \$3.3mm maximum request. The School Committee likely also put in for some smaller amount. Well 4A has PFAS concerns but the engineering allows for the modular implementation of a PFAS treatment process as part of the Well 4A treatment system. The expectation is that we may get \$3mm from ARPA which could be spent to prepare Well 4A to be shovel-ready should we need to implement a PFAS treatment system. This is a big deal since we as a small town rarely have the free cash available to implement engineering plans before they are necessary. Justin plans to use ARPA money not just for Well 4A PFAS engineering, but also for the Old Marlboro Road well. This will support the town for any potential future growth needs which are currently somewhat constrained by water supply.

Alannah asked what our bond ratings looked like based on our water and sewer. Justin mentioned that because we have a relatively low water usage per household (57 gallons in Maynard versus 200 or so for Weston) and it is very consistent, the cash flows are quite predictable, and this results in good bond ratings.

Peter voiced a concern that this transfer would bypass the control of having a town meeting for allocating emergency funds. Justin mentioned that there are still controls in place to be sure that proper bidding, etc. is still followed. This money is earmarked for emergency use, it is not money that will be allocated at the drop of a hat for water/sewer expenses. Ken pointed out that this is also not a massive allocation of funds and that emergency funds for big projects will still go through a special town meeting, but for small projects it will be good to have funds pre-allocated.

Control C

The Maynard golf course contracts management to Sterling Golf Management. Sterling Golf Management is required to pay the town \$40,000/year at a minimum. Each year the money that Sterling remits to the town is used for capital expenditures related to the golf course. The accrued amount is currently \$137,316 (roughly a trailing 15 months' revenue). Control C is a request to allocate this money to replacing the roof of the golf club which has been leaking for a few years. There is already engineering and bidding going on for this. The roof may end up costing more than this accrued amount, but the hope is it will be a bit less. For comparison the Green Meadow roof was 2.5x the size and cost around \$600k. The current golf club roof has also been cobbled together so other considerations include moving the HVAC system as well as abatements for lead, etc. In addition to maintaining the asset, the hope is that a nicer roof and

nicer facility could lead to more event revenues to the town. Sterling makes more money on golf than on events. Sterling is responsible for all repairs under \$2,500 which goes a long way at a golf course (versus at a wastewater treatment plant where \$2,500 is enough to change a light switch, literally).

Control L

Alannah thanked Justin for his time, and we moved on to Control L. Control L is an Activity and Use Limitation on a certain piece of the Rail Trail where hazardous material was discovered. The space in question is the wedge of land between Acton St., Brown St., and Concord St. The point is to prevent digging and building here to prevent potential public health issues. We requested that a map be included in this Control so that the townspeople will understand where the Control refers to. We also asked that this Control be reworded so that it reads “passage of this will do ____” to simplify readability. We expect this to be rewritten.

ARPA Update

Greg would like a full-time health agent and rather than revise the budget he believes ARPA funds are an appropriate use here – though this would only cover year 1. A health agent enforces health codes, does inspections, organizes flu clinics, and provides recommendations for health-related issues. The expected \$ cost for this would be roughly \$85,000. Longer term, this would be funded by the budget. The town has already been paying for a part time health agent (roughly 8 hours a week, even pre-COVID) but she was spread thin, and Greg believes it is a worthwhile investment for the town. Peter was not clear why we would need to 5x the hours spent for these tasks and is interested in knowing why we would need this position of increased responsibility enforcing regulations, etc. The assistant town administrator is working on compiling the reasons and we would like to hear from the Board of Health on this point.

ATFC Dues

We have a \$210 bill as a membership fee for the Association of Town Finance Committees (ATFC). The ATFC sends out resources to the chair of the finance committee, funds training sessions, etc. Alannah and Ken have both been to their meetings. ATFC has a website with good resources according to both Ken and Alannah. Ken motioned to approve, seconded by Elliot. Approved by rollcall 5-0.

Agenda for Next Meeting

We will speak about the zoning and by-law articles. We have a meeting on August 23 and then September 13. We need to submit our comments following the September 13 meeting. Alannah asked if we could do an August 30 meeting in addition so that we can cover everything.

Ken motioned to adjourn, seconded by Elliot. Approved by rollcall 5-0. Meeting adjourned 9:54PM.

Documents & Exhibits

Spreadsheet constructed by Greg detailing Mill & Main offer of space to Council on Aging
Control article drafts and related exhibits

Reserve Fund Balance

\$101,052.29